

**Introduced by Senator Florez**

February 3, 2005

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An act to amend Section 53260 of the Government Code, relating to local employment contracts.

LEGISLATIVE COUNSEL'S DIGEST

SB 142, as amended, Florez. Local government employment contracts.

Existing law provides that if an employment contract between an employee and a local agency employer is terminated, the maximum cash settlement that an employee may receive is an amount equal to the monthly salary of the employee multiplied by the number of months left on the unexpired *term of the contract*. If the unexpired term exceeds 18 months, the maximum cash settlement is an amount equal to the monthly salary multiplied by 18. *However, if a local agency employer terminates its contract of employment with its district superintendent of schools it may not provide a settlement to the superintendent greater than 6 month's salary if the superintendent has been found to have engaged in fraud, misappropriation of funds, or other illegal fiscal practices.*

~~This bill would instead provide that if the unexpired term exceeds 6 months, the maximum cash settlement shall be an amount equal to the monthly salary multiplied by 6~~ *further require that a district superintendent shall serve for at least 12 consecutive months to be eligible for severance pay and other severance benefits. The bill would authorize the state to reduce the amount of any subsequent allocation to a local agency employer that violates the prohibition against payment of more than 6 months severance pay. The bill would also prohibit a local agency employer or its governing board from*

*negotiating with the superintendent concerning during the 60 day period preceding an election.*

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 53260 of the Government Code is  
2 amended to read:  
3 53260. (a) All contracts of employment between an  
4 employee and a local agency employer shall include a provision  
5 which provides that regardless of the term of the contract, if the  
6 contract is terminated, the maximum cash settlement that an  
7 employee may receive shall be an amount equal to the monthly  
8 salary of the employee multiplied by the number of months left  
9 on the unexpired term of the contract. However, if the unexpired  
10 term of the contract is greater than ~~6~~ 18 months, the maximum  
11 cash settlement shall be an amount equal to the monthly salary of  
12 the employee multiplied by ~~6~~ 18.  
13 (b) (1) Notwithstanding subdivision (a), if a local agency  
14 employer, including an administrator appointed by the  
15 Superintendent, terminates its contract of employment with its  
16 district superintendent of schools that local agency employer may  
17 not provide a cash or noncash settlement to its superintendent in  
18 an amount greater than the superintendent's monthly salary  
19 multiplied by zero to six if the local agency employer believes,  
20 and subsequently confirms, pursuant to an independent audit, that  
21 the superintendent has engaged in fraud, misappropriation of  
22 funds, *malfeasance*, or other illegal fiscal practices. *A district*  
23 *superintendent of schools shall serve in that position for a term*  
24 *of at least 12 consecutive months to be eligible for severance pay*  
25 *and other severance benefits. If a local agency employer pays a*  
26 *district superintendent of schools more than six months*  
27 *severance pay contrary to this subdivision, the state may reduce*  
28 *any subsequent allocation to the agency by the amount that the*  
29 *payment exceeds six months severance pay. The local agency*  
30 *employer or its governing board shall not conduct negotiations*  
31 *concerning severance pay or benefits during the period of 60*  
32 *days preceding an election. The amount of the cash settlement*

1 described in this paragraph shall be determined by an  
2 administrative law judge after a hearing.

3 (2) This subdivision applies only to a contract for employment  
4 negotiated on or after the effective date of the act that added this  
5 subdivision.

6 (c) The cash settlement formula described in subdivisions (a)  
7 and (b)~~are~~ *is the* maximum ceiling on the amounts that may be  
8 paid by a local agency employer to an employee and is not a  
9 target or example of the amount of the cash settlement to be paid  
10 by a local agency employer to an employee in all contract  
11 termination cases.